

# County of San Diego, Health and Human Services Agency (HHSA)

## CalWORKs Program Guide

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### Background

Under the Semi-Annual Reporting (SAR) system recipients are required to report only certain changes mid-period.

### Policy

#### **44-270.G.1 Mandatory Reporting**

All CalWORKs recipients are required to report the following changes within **10 calendar days** of the date the change becomes known to the Assistance Unit (AU):

- When income exceeds the Income Reporting Threshold (IRT)
- When an AU member has a change in fleeing felon status
- Violations of conditions of probation or parole
- Address changes

**Note:** A person convicted in state or federal court, after December 31, 1997, of a drug related felony, is ineligible for CalWORKs from the date of conviction up to March 31, 2015. Effective April 1, 2015, the prohibition from receipt of CalWORKs for individuals has been repealed.

ACL No. 14-100, ACL 15-92, ACIN I-02-16

Semi-Annual Reporting (SAR) AUs are **not** required to report a change in household composition within 10 days as is required for Annual Reporting/Child Only (AR/CO) AUs. See CPG 44-260.D and 44-270.H.

If the AU reports mid-period that income exceeds the IRT due to income of a new household member, then **no** mid-period action will be taken to decrease or discontinue CalWORKs since the report of income over IRT is based on a new household member and a **voluntary report**.

Mid-Period reports may be made in writing (including fax), online via email, by phone, or in-person to designated staff or at a Family Resource Center (FRC). Recipients may also provide a **Mid-Period Status Report (SAR 3)** to report a change.

ACL 12-25

#### **44-270.G.2 Taking Action on Mid-Period Reports**

When an AU reports a change mid-period, make a case comment to document the reported information. And issue a written request, as needed, for the AU to provide verification within 10 days.

For reports of income over IRT that result in CalWORKs discontinuance, take timely action **without waiting** for verification of the new income in order to avoid an overpayment. See CPG 44-270.G.7

A mandatory report requires timely action to reevaluate continuing eligibility for the AU and recalculate the grant amount mid-period. Timely and adequate notice, as outlined in CPG 44-270.D.2, is required if a mandatory report results in a decrease or discontinuance of CalWORKs.

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When the recipient makes a mandatory report, and the AU receives CalFresh benefits, reevaluate continuing eligibility to **CalFresh** when taking mid-period action for CalWORKs. See CFPG 63-283.

**NOTE:** If a change is reported that does **not** require mid-period action, issue a “No Change” Notice of Action (NOA) and note the information as a Held Change for follow-up at the next SAR 7 or annual redetermination, whichever comes first. See CPG 44-270.H.1.

ACL 12-25

#### 44-270.G.3 Required Informing Notice

SAR AUs are notified of their mandatory reporting responsibilities, including their IRT amount, via the **Reporting Changes for Cash Aid and CalFresh (SAR 2)** informing notice.

Issue a SAR 2 to the AU upon the initial approval of CalWORKs, at each annual redetermination, and anytime there is a change in their IRT.

Whenever an action is taken, that results in a recalculation of the CalWORKs grant, also recalculate the IRT. Issue a new SAR 2 to the AU **within 10 days** of the reported change to ensure timely notification of their new IRT.

**Note:** When there is a change in IRT and the AU has not been notified of the new level, use the **prior** IRT level for mandatory reporting purposes until an informing notice indicating the new IRT level can be issued to the AU.

ACLs 12-25; 13-109

#### 44-270.G.4 Income Reporting Threshold (IRT)

The **IRT** is an income level that informs the AU when they are mandated to make a mid-period report of an increase in income. Current CalWORKs IRT levels may be found in CPG 45-200 Resources and Desk Aids - CalWORKs Assistance Standards Chart.

AUs with **only unearned income**, including disability-based unearned income, are **not** required to report mid-period when their income exceeds the IRT.

AUs with **earned income** are required to report within 10 days when their **total combined gross monthly income** (earned and unearned) of all the members in the Family Maximum Aid Payment (Family MAP) exceeds the IRT.

Income that must be reported includes:

- Income for penalized, excluded, and timed-out individuals
- Income of individuals who are not in the AU but are included in the determination of eligibility

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If the AU receives ...	Then the AU is ...
Earned income only or a combination of earned and unearned income	Required to report within 10 days when their household's <b>total</b> income exceeds the IRT.
Unearned income only or no income	Required to report within 10 days <b>only if</b> they receive <b>new</b> earnings that would exceed the IRT if combined with other household income.  <b>NOTE:</b> New <b>unearned</b> income is not required to be reported mid-period.

Failure to make a timely report of income that exceeds the IRT may result in an overpayment per CPG 44-350.A.

If the failure to report income was done knowingly and intentionally, the recipient may be subject to fraud prosecution, financial penalties, and potential disqualification from CalWORKs, as described in CPG 44-350.J.

Whereas the CalWORKs IRT is based on a three-tiered system as outlined in CPG 44-270.G.5, the CalFresh IRT is 130% of the Federal Poverty Level (FPL). See CPG 63-283.

**REMINDER:** Nonrecurring lump sum income is treated as **property** in the month received and for any subsequent months per CPG 44-100.A. Recipients are **not** required to report mid-period when nonrecurring lump sum income is received.

ACL 12-25

**44-270.G.5 Three-Tiered IRT System**

The CalWORKs IRT will vary for each family due to the three-tiered system, which is used for both AR/CO and SAR AUs. See CPG 44-260.E for information regarding the AR/CO IRT.

A report of income over the IRT may result in **either** a mid-period decrease or discontinuance of CalWORKs.

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The CalWORKs IRT is the **lesser** of the following:

<b>Tier 1</b>	55% of the FPL for a family of three ("baseline") <b>plus</b> the amount of gross income last used in the CalWORKs benefit determination.  <b>Note:</b> The baseline amount is a <b>specific</b> value that will be used in determining the Tier 1 IRT for <b>all</b> AUs. 55% of the FPL <u>for a family of three</u> will be used regardless of the actual AU size.
<b>Tier 2</b>	The level likely to make a family ineligible for CalWORKs based on the recipient earned income limit for each family size.  The Tier 2 IRT is calculated as: MAP x 2 + the current Earned Income Disregard (EID) + \$1.
<b>Tier 3</b>	The level likely to make a household ineligible for CalFresh benefits based on the household size.  The Tier 3 IRT is 130% of the FPL. See CFPG 63-283.

**NOTE:** Most AUs will have an IRT based on either Tier 1 or Tier 2. The Tier 3 IRT will **only** be used in situations when an AU reports income exceeding the Tier 2 IRT and remains eligible to CalWORKs.

See CPG 45-200 Resources and Desk Aids - CalWORKs Assistance Standards Chart for current CalWORKs IRT levels.

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### 44-270.G.6 Examples of Calculating the IRT

**Note:** The IRT levels used in the following examples are effective 10/1/2013 through 2/28/2014. For CalFresh, refer to CFPG 63-283.8.

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#### Example 1A: New Earned Income reported on SAR 7

Scenario	<p>A non-exempt AU of 2 is in the January – June Payment Period (SAR Cycle 1).</p> <p>The AU has no income and has an IRT of \$895 based on Tier 1.</p> <p>On the May SAR 7, Mom reports that she started a new part-time job in May and now earns \$500/month, which is anticipated to continue at this level.</p>
Outcome	<p>The Eligibility Worker recalculates the CalWORKs grant for the upcoming SAR Payment Period using the new income. Benefits are decreased with timely and adequate notice.</p> <p>A SAR 2 is issued to notify the AU of their new IRT, which is calculated as follows:</p> <p><u>Tier 1</u>: \$895 baseline + \$500 gross income = \$1,395</p> <p><u>Tier 2</u>: \$1,258 (for non-exempt AU = 2)</p> <p>Since <b>Tier 2</b> is the lower of the two tiers, the new IRT for the AU is <b>\$1,258</b>.</p>

#### Example 1B: Earned Income ends Mid-Period

Scenario	<p>On November 15<sup>th</sup>, Mom makes a mid-period report that her job just ended and provides verification that she received \$300 in November. No other income is anticipated for the rest of the SAR Payment Period.</p>
Outcome	<p>The CalWORKs grant will be recalculated using \$300 earned income for November and no income effective December ongoing. A supplement will be issued for November and benefits will increase beginning in December.</p> <p>A SAR 2 is issued to notify the AU of their new IRT, which is calculated as follows:</p> <p><u>Tier 1</u>: \$895 baseline + \$0 income = \$895</p> <p><u>Tier 2</u>: \$1,258 (for non-exempt AU = 2)</p> <p>Since <b>Tier 1</b> is the lower of the two tiers, the new IRT is <b>\$895</b>.</p> <p><b>NOTE:</b> If no income is anticipated at the time of the December redetermination, the IRT will remain unchanged for the upcoming SAR Payment Period.</p>

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#### Example 2: New Unearned Income reported Mid-Period

Scenario	<p>A non-exempt AU of 3 is in the January – June Payment Period (SAR Cycle 1).</p> <p>The AU has no income and has an IRT of \$895 based on Tier 1.</p> <p>In February, Mom reports mid-period that she started receiving Unemployment Insurance Benefits (UIB) of \$900/month.</p> <p>The \$900/month UIB income is reasonably anticipated to continue at this level.</p>
Outcome	<p>Since this AU receives only unearned income, this change will be considered a <b>voluntary report</b>.</p> <p>The Eligibility Worker will <b>not</b> take mid-period action to change the CalWORKs grant and a “No Change” NOA will be issued. The information will be noted as a Held Change for follow-up at the next SAR 7 or annual redetermination.</p> <p>The IRT will remain unchanged.</p>

#### Example 3A: New Earned & Unearned Income Mid-Period

Scenario	<p>A non-exempt AU of 3, Mom and two children, is in the January – June Payment Period (SAR Cycle 1).</p> <p>The AU has no income and has an IRT of \$895 based on Tier 1.</p> <p>In March, Mom reports mid-period that she started a part-time job and now earns \$500/month. She also reports that her children now each receive \$200/month in disability benefits based on their absent father.</p> <p>The total combined gross income is over the IRT: \$500 + \$400 (disability benefits, \$200 x 2) = \$900.</p>
Outcome	<p>The Eligibility Worker recalculates the CalWORKs grant using the new income and decreases CalWORKs with timely and adequate notice.</p> <p>A SAR 2 is issued to notify the AU of their new IRT, which is calculated as follows:</p> <p><u>Tier 1</u>: \$895 baseline + \$900 total income = \$1,795</p> <p><u>Tier 2</u>: \$1,502 (for non-exempt AU = 3)</p> <p>Since <b>Tier 2</b> is the lower of the two tiers, the new IRT for the AU is <b>\$1,502</b>.</p>

#### Example 3B: Increased Earned Income reported Mid-Period

Scenario	<p>In April, Mom reports that her earnings have increased to \$1,200/month, which she anticipates will continue at this level.</p> <p>The total combined gross income is now over the IRT: \$1,200 + \$400 (disability benefits, \$200 x 2) = \$1,600.</p>
Outcome	<p>The Eligibility Worker reevaluates eligibility using the new income and determines the AU is now ineligible to CalWORKs due to excess income (income over MAP).</p> <p>CalWORKs is discontinued effective April 30<sup>th</sup> with timely and adequate notice.</p>

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### 44-270.G.7 When Income Exceeds the IRT

When a recipient reports income that exceeds the IRT, first determine whether the income will continue at that level.

- If the income is only expected to last for **one month** and will **not** continue at that level, **do not take any action** to decrease or discontinue benefits.
- If increased income is reported mid-period that does **not** exceed the IRT, the report will be treated as **voluntary**.

**Do not** take mid-period action and issue a “No Change” NOA. Document the information as a Held Change for follow-up at the next SAR 7 or redetermination, whichever comes first.

#### Example 1: Income exceeds the IRT for One Month

Scenario	An AU of 3 is in the October – March Payment Period (SAR Cycle 4). The AU has no income and has an IRT of \$895 based on Tier 1. Mom gets a holiday job for December only that will pay \$1,000. In December, she reports that her income now exceeds the IRT and verifies that the job will end in December. No income is anticipated after December.
Outcome	Because this income is not expected to continue, the Eligibility Worker will <b>not</b> recalculate the grant and the IRT will remain unchanged

When income over the IRT **will** continue at that level, use the reasonably anticipated income to recalculate the CalWORKs grant.

- If the AU is determined to be ineligible to CalWORKs based on the new income, discontinue CalWORKs at the end of the month with timely and adequate notice.
- In order to avoid an overpayment, take action to discontinue CalWORKs based on the reported information **prior to receiving verification of the increased income**.

#### Example 2: Income exceeds the IRT and will Continue

Scenario	A non-exempt AU of 3 is in the January – June Payment Period (SAR Cycle 1). Mom currently receives \$1,200/month earned income. Her current IRT is \$1,502 based on this income. On February 15 <sup>th</sup> , Mom reports mid-period that her income has increased to \$1,800. She anticipates her income will continue at this level.
Outcome	The Eligibility Worker recalculates the CalWORKs grant mid-period using the new information and determines that the AU is now ineligible to CalWORKs. CalWORKs is discontinued effective February 28 <sup>th</sup> with timely and adequate notice <b>without waiting for verification of the new income</b> .

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### Example 3: Increased Income does not exceed the IRT

Scenario	<p>A non-exempt AU of 2 is in the July – December Payment Period (SAR Cycle 1). The AU consists of Mom, an aided child, and an excluded SSI child. Mom receives \$200/month earned income and the IRT is \$1,095 based on Tier 1.</p> <p>On August 31<sup>st</sup>, Mom reports that her income increased in July. She now receives \$898 from her job and also \$643 for her child's SSI.</p>
Outcome	<p>Since the SSI income is excluded, Mom was not required to report her increased income because it was not over the IRT. No mid-period action will be taken.</p> <p>The Eligibility Worker will issue a "No Change" NOA and note the information as a Held Change for later follow-up at the next SAR 7 or redetermination.</p> <p>The current IRT of \$1,095 will remain unchanged until the new income is required to be used to recalculate the CalWORKs grant.</p>

### Example 4: Late Reporting of Income that exceeds the IRT

Scenario	<p>A non-exempt AU of 3 is in the July – December Payment Period (SAR Cycle 1).</p> <p>The AU has no income and has an IRT of \$895 based on Tier 1.</p> <p>On September 25<sup>th</sup>, Mom reports that she started a new job at the beginning of August that pays twice a month. She received \$475 gross earnings on August 15<sup>th</sup> and on August 31<sup>st</sup> and anticipates that her income will continue at this level.</p> <p>The total countable income now exceeds the IRT: <math>\\$475 \times 2 = \\$950</math>.</p> <p>Mom knew in August that the income from her new job would exceed the IRT.</p>
Outcome	<p>The Eligibility Worker will recalculate the grant using the new income. CalWORKs will be decreased effective November 1<sup>st</sup> with timely and adequate notice.</p> <p>The AU will have an overpayment for September and October.</p> <p>Since the AU actually exceeded the IRT on August 31<sup>st</sup> and Mom was required to report the information within 10 days (by September 10<sup>th</sup>), the September overpayment will be due to Administrative Error (AE) and the October overpayment will be attributed to <b>Client Error</b>.</p>



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### Example 5: Timely Report of Income over IRT Late in the Month

Scenario	<p>A non-exempt AU of 3 is in the July – December Payment Period (SAR Cycle 1).</p> <p>The AU has no income and has an IRT of \$895 based on Tier 1.</p> <p>On July 25<sup>th</sup>, Mom reports timely that she started a part-time job and will receive \$900 in July. She anticipates her income to continue at this level.</p>
Outcome	<p>The Eligibility Worker will recalculate the CalWORKs grant for August ongoing using the new income. CalWORKs will be decreased effective September 1<sup>st</sup> with timely and adequate notice.</p> <p>Unless a 10-day waiver is signed, the AU will have an overpayment for August due to AE because there is insufficient time to decrease CalWORKs for August.</p>

### Example 6: Increased Earned Income does not exceed IRT

Scenario	<p>A non-exempt AU of 3, Mom and two children, is in the January – June Payment Period (SAR Cycle 1).</p> <p>Mom currently works part-time and earns \$600/month.</p> <p>Her children each receive \$100/month in disability benefits based on the disability of the absent father.</p> <p>The current combined gross income for the AU is: <math>\\$600 + (\\$100 \times 2) = \\$800</math>.</p> <p>Their IRT is \$1,502 based on Tier 2.</p> <p>In April, Mom reports that her hours have increased and she now earns \$1,300/month.</p> <p>The total combined gross income for the AU is now:</p> <p><math>\\$1,300 + (\\$100 \times 2) = \\$1,500</math>.</p>
Outcome	<p>Although there is an increase in income, the Eligibility Worker determines that the total household income is still <b>under</b> the IRT and no mid-period action is required.</p> <p>The Eligibility Worker will issue a “No Change” NOA and note the information as a Held Change for later follow-up at the next SAR 7 or redetermination.</p> <p>The Eligibility Worker will also remind the AU of their responsibility to report if income exceeds their IRT of \$1,502.</p>

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## 44-270.G.8 Fleeing Felon Status and Parole/Probation Violations

Recipients are required to report within 10 days when it becomes known that a member of the AU is:

- Becomes a fleeing felon
- Violates a condition of parole or probation

Take mid-period action to discontinue the ineligible individual from the AU and reduce or discontinue CalWORKs for the AU at the end of the month with timely and adequate notice.

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### Example 1: Violation of a Condition of Parole Reported Timely

Scenario	An AU is in the January – June Payment Period (SAR Cycle 1). On March 20 <sup>th</sup> , the AU reports timely that Mom has violated her condition of parole on March 10 <sup>th</sup> .
Outcome	The Eligibility Worker will act to discontinue Mom from the AU effective March 31 <sup>st</sup> with timely and adequate notice.

### Example 2: Violation of a Condition of Parole Not Reported Timely

Scenario	Same Scenario as Example 1 above; however, the AU reported in April that Mom has violated her condition of parole on March 10 <sup>th</sup> .
Outcome	The Eligibility Worker will discontinue Mom from the AU effective April 30 <sup>th</sup> with timely and adequate notice. An overpayment will be established for April due to Client Error.

ACL 12-25

## 44-270.G.9 Address Changes

Recipients are required to report any changes in residence or address within 10 days.

### OUT OF STATE MOVES

When a recipient reports moving out of state, take mid-period action to discontinue CalWORKs benefits for the individual or the AU at the end of the month with timely notice.

- If an individual member moves out of state, that individual will be discontinued and the remaining members of the AU will continue to receive CalWORKs if otherwise eligible.
- If the entire AU moves out of state, CalWORKs will be discontinued mid-period for all members with 10-day notice.

**Note:** If it is determined that the recipient had moved out of state and, therefore, was not entitled to receive aid in California, an overpayment will be established for those months in which aid continued due to the inability to provide 10-day notice.

### OUT OF COUNTY MOVES (WITHIN CALIFORNIA)

When a recipient reports moving to another county, follow the Inter-County Transfer (ICT) procedures outlined in CPG 40-100.P.

- The Sending County will discontinue CalWORKs mid-period **after** the Receiving County notifies the Sending County that the case has been successfully transferred.
- The Receiving County will use the most recent SAR 7 and redetermination forms, along with information provided by the recipient, to determine continuing eligibility to CalWORKs:

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If the Receiving County determines that Aid will...	Then the Receiving County will...
Decrease	Take mid-period action to decrease the CalWORKs grant at the end of the transfer period with timely notice.
Increase	Take action to increase the CalWORKs grant effective the first of the month following the end of the transfer period.

**NOTE:** Receiving counties must **always** align the reporting period to coincide with the annual redetermination.

ACL 12-25

**Procedure:**

None.

**Impacts:**

None.

**References:**

ACL 12-25

ACL 13-109

ACL 14-100

ACL 15-92

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